banks are permitted to accept deposits on both fixed and floating rates of interest, subject to approval of their Boards. Interest rates on saving bank deposit are currently regulated by the RBI. This rate has remained unchanged at 4% since April, 2000. In order to support industrial recovery and to promote investment in the economy in the economy, RBI has been pursuing a soft interest rate regime recently. Bank rate has been reduced in stages from 8% in March, 1999 to 5.5% in October, 2002. Similarly commensurate with decline in the inflation expectation, government has reduced the small savings rates during the last three years. There are therefore, early signs of the industrial sector.

**VRS in Union Ministries**

†1415. PROF. M. M. AGARWAL: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the main features of Voluntary Retirement Scheme being implemented by Union Government;

(b) the names of Sectors/Departments wherein the above scheme is being implemented;

(c) the Department-wise number of employees who have applied for availing benefits of the said scheme and number of persons who have already benefited by the above scheme for the last two years;

(d) whether Government have also accorded its approval to this scheme for insurance companies; and

(e) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANAND RAO VITHOBA ADSUL): (a) to (c) The Expenditure Reforms Commission had suggested a liberal voluntary retirement scheme for the employees declared surplus. The recommendation was accepted and a Special VRS for surplus Central Govt. employees was introduced on 28th February, 2002. As the scheme was introduced on 28th February, 2002, the question of furnishing information for the last two years does not arise. Implementation is a continuous process. However, certain Ministries, namely M/o Agriculture (4), M/o Commerce & Industry (1), M/o Civil Aviation (2), M/o Small Scale Industries (14) and M/o Tourism (2) have accepted the option for special VRS exercised by the employees declared surplus till 18.11.2002. The main features of the scheme are enclosed. (*See* below)

†Original notice of the question was received in Hindi.

(d) and (e) The government have not proposed any such scheme in Insurance Companies. However, in the case of Development Officers (Class-II), a Special VRS has been proposed as part of restructuring of their service conditions, norms of performance and their entitlement to various incentives under the scheme. The change has been proposed in the light of changed circumstances due to the entry of private companies in the insurance market and consequent changes in the IRDA Regulations.

***Statement***

*Features of the Special VRS for the employees declared surplus*

(a) All permanent employees rendered surplus irrespective of their age and qualifying service can opt for the scheme.

(b) An optee of Special VRS will be entitled to receive an *ex-gratia* amount equal to basic pay plus dearness allowance for the number of days worked out on the basis of length of service @ 35 days for each completed year and 25 days for each remaining year. For any part of a year, the number of days, for *ex-gratia* amount, will be worked out on the basis of 365 days in a year. The *ex-gratia* amount will be further subject to the following conditions :

(i) Total number of years to be counted for payment of *ex-gratia* will not exceed 33 years;

(ii) No weightage of additional service will be given for the purpose of calculation of *ex-gratia;*

(iii) The *ex-gratia* will be subject to a minimum of Rs. 25,000/- or 250 days emoluments, whichever is higher;

(iv) The *ex-gratia* amount should not exceed the sum of the basic pay plus DA that the employee would draw at the prevailing level for the balance of the period of service left before superannuation;

(v) The *ex-gratia* amount will be paid in lump sum;

(vi) The *ex-gratia* amount up to Rs. 5.00 lakhs will be exempted from Income Tax;

(c) A weightage of five years to the qualifying service shall be given under CCS (Pension) Rules, 1972 to such permanent surplus employees who have rendered a minimum of 15 years of qualifying

service on the date they are declared surplus. However, as provided in rule 29 of CCS (Pension) Rules, 1972, the qualifying length of service after taking into account the aforesaid weightage should not be more than the service he would have rendered had he retired on the date of his superannuation;

(d) Encashment of Earned Leave accumulated on the date of relief as per CCS (Leave) Rules, 1972;

(e) Payment of savings element with interest in the Central Govt. Employees Group Insurance Scheme as per rules;

(f) TA/DA as on retirement for self and family for settling anywhere in India as per Travelling Allowance Rules;

(g) Group 'A' officials opting for the special VRS will be exempted from the operation of rule 10 of the CCS (Pension) Rules which stipulates previous sanction of the Government for accepting commercial employment.

**Loan to Agricultural Sector**

†1416. PROF. M. M. AGARWAL: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the amount of loan provided by nationalized banks State-wise/ bank-wise for development of agriculture during the last three years;

(b) the comparative percentage of the loans provided to the agricultural sector *vis-à-vis* industrial sector; and

(c) what effective measures are being taken by Government for improvement of agriculture?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) State-wise and bank-wise amount of loan provided by nationalized banks during the last 3 years is given in Statements I and II respectively. (*See* below)

(b) The comparative position of outstanding advances to agriculture *vis-à-vis* medium and large industries as available in respect of scheduled commercial banks as on March, 2002 is given below:

| Sector | Amount (Rs. crore) | Percentage to Net Bank Credit |
|---|---|---|
| Agriculture | 60,761 | 11.36 |
| Medium and Large Industries | 1,72,324 | 32.20 |
| Net Bank Credit | 5,35,063 | 100.00 |

†Original notice of the question was received in Hindi.